

GREATWALLE INC. 長 城 匯 理 公 司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8315

THIRD QUARTERLY REPORT
2021/22

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Greatwall Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2021**

	Notes	For three months ended 31 December		For nine months ended 31 December	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	2	12,150	14,188	39,589	44,143
Cost of services rendered		(11,516)	(13,178)	(38,978)	(39,305)
Gross profit		634	1,010	611	4,838
Other income	3	91	17	217	5,096
Administrative expenses		(7,381)	(7,720)	(19,777)	(22,685)
Finance costs	4	(833)	(839)	(2,334)	(2,193)
Loss before income tax	5	(7,489)	(7,532)	(21,283)	(14,944)
Income tax expense	6	(2)	(7)	10	(36)
Loss for the period		(7,491)	(7,539)	(21,273)	(14,980)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		996	421	2,370	532
Other comprehensive income for the period		996	421	2,370	532
Total comprehensive income for the period		(6,495)	(7,118)	(18,903)	(14,448)
Loss for the period attributable to:					
Owners of the Company		(7,360)	(7,226)	(20,588)	(13,875)
Non-controlling interests		(131)	(313)	(685)	(1,105)
		(7,491)	(7,539)	(21,273)	(14,980)
Total comprehensive income for the period attributable to:					
Owners of the Company		(6,365)	(6,797)	(18,216)	(13,339)
Non-controlling interests		(130)	(321)	(687)	(1,109)
		(6,495)	(7,118)	(18,903)	(14,448)
		HK cents	HK cents (Restated)	HK cents	HK cents (Restated)
Loss per share for loss attributable to owners of the Company	7	(1.38)	(1.35)	(4.41)	(4.89)
– Basic and diluted					

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Retained earnings/ Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	12,463	153,805	8,339	(5,270)	411	(176,951)	(7,203)	935	(6,268)
Rights issue, net of expenses	4,155	15,681	-	-	-	-	19,836	-	19,836
Transactions with owners	4,155	15,681	-	-	-	-	19,836	-	19,836
Loss for the period	-	-	-	-	-	(13,875)	(13,875)	(1,105)	(14,980)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	536	-	536	(4)	532
Total comprehensive income for the period	-	-	-	-	536	(13,875)	(13,339)	(1,109)	(14,448)
At 31 December 2020 (unaudited)	16,618	169,486	8,339	(5,270)	947	(190,826)	(706)	(174)	(880)
At 1 April 2021 (audited)	16,618	169,485	8,339	(5,270)	1,400	(193,910)	(3,338)	(883)	(4,221)
Issue of subscription shares, net of expenses	12,454	55,392	-	-	-	-	67,846	-	67,846
Equity-settled share option expenses	-	-	2,390	-	-	-	2,390	-	2,390
Transactions with owners	12,454	55,392	2,390	-	-	-	70,236	-	70,236
Loss for the period	-	-	-	-	-	(20,588)	(20,588)	(685)	(21,273)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	2,372	-	2,372	(2)	2,370
Total comprehensive income for the period	-	-	-	-	2,372	(20,588)	(18,216)	(687)	(18,903)
At 31 December 2021 (unaudited)	29,072	224,877	10,729	(5,270)	3,772	(214,498)	48,682	(1,570)	47,112

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Greatwalle Inc. (formerly known as King Force Group Holdings Limited) (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2014. The Company's registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Room 2008, 20th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange on 20 August 2014.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are the provision of security guarding and property management services, and the provision of business advisory and asset management services.

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinances and GEM Listing Rules. They are prepared under the historical cost convention.

The accounting policies adopted in preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2021, except for the adoption of the new and revised the Hong Kong Financial Reporting Standards ("HKFRSs").

In this report, the Group has adopted all the new and revised HKFRSs by the HKICPA that are relevant to its operations and effective for this accounting period beginning on 1 April 2021. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts in the reporting period and the corresponding previous periods.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2021.

2. REVENUE

Revenue represents the net invoiced value of service rendered from the provision of security guarding and property management service (the "Security Guarding and Property Management Services") and the service income from the provision of business advisory and asset management services (the "Asset Management Services") during the period.

	Three months ended		Nine months ended	
	31 December 2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	31 December 2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Provision of Security Guarding and Property Management Services	11,671	13,390	37,808	42,545
Provision of Asset Management Services	479	798	1,781	1,598
	12,150	14,188	39,589	44,143

3. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Bank interest income	22	5	46	19
Government grant ¹	19	–	136	1,653
Sundry income	50	12	35	3,424
	91	17	217	5,096

¹ The amount represented government grants obtained from Employment Support Scheme (the "ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Company's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specific period of time. The Group does not have other unfulfilled obligations relating to this program.

4. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interest charges on promissory note	600	600	1,800	1,800
Interest on lease liabilities	50	94	83	109
Interest charges on loans from related parties	–	11	2	38
Interest charges on other borrowings	183	134	449	246
	833	839	2,334	2,193

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Amortisation of intangible asset ¹	–	109	–	356
Cost of services rendered	11,516	13,178	38,978	39,305
Depreciation of property, plant and equipment ¹	120	103	342	354
Depreciation of right-of-use assets ¹	1,681	899	2,567	1,468
Short-term leases expenses ¹	43	–	153	611
Employee benefits expenses (including directors' emoluments): Salaries, allowances and benefits in kind included in:				
– Cost of services rendered	11,416	12,952	38,604	29,839
– Administrative expenses	2,615	3,690	7,902	9,361
Retirement benefits – Defined contribution plans ² included in:				
– Cost of services rendered	76	81	245	263
– Administrative expenses	312	188	931	477
Equity-settled share-based payment expenses				
– Administrative expenses	2,390	–	2,390	–
	16,809	16,911	50,072	39,940
Legal and professional fees ¹	645	1,708	1,549	3,234
Impairment loss on trade receivables	330	(583)	1,455	1,880

¹ included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income

² no forfeited contributions available for offset against existing contributions during the period

6. INCOME TAX EXPENSE

The amount of taxation in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

Loss	Three months ended 31 December		Nine months ended 31 December	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Current tax				
– PRC Enterprise Income Tax ("EIT")				
– Provision the period	2	7	10	36
– Over-provision in respect of prior years	–	–	(20)	–
	2	7	(10)	36
Hong Kong Profits Tax				
– Provision for the period	–	–	–	–
	2	7	(10)	36

The Company was incorporated in the Cayman Islands that is tax-exempted as no business is carried out in the Cayman Islands under the laws of the Cayman Islands.

Hong Kong Profits Tax is calculated at 16.5% (2020: 16.5%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the year. EIT is calculated on estimated assessable profits of the subsidiaries' operations in PRC at 25% (2020: 25%). Income tax expense for other jurisdictions is calculated at the rates of taxation prevailing in the relevant jurisdictions.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss	Three months ended 31 December 2021		Nine months ended 31 December 2021	
	(Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss attributable to owners of the Company	(7,360)	(7,226)	(20,588)	(13,875)

Number of shares	Three months ended 31 December 2021		Nine months ended 31 December 2021	
	'000	2020 (Restated) '000	'000	2020 (Restated) '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	533,802	300,569	466,897	283,530

The weighted average number of shares of the purpose of calculating the basic loss per share has been retrospectively adjusted for the effect of share consolidation completed during the nine months ended 31 December 2021.

Non adjustment had been made to the basic loss per share amounts presented for the nine months ended 31 December 2020 and 2021 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

8. DIVIDENDS

The Board did not recommend a payment of interim dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: nil).

9. SUBSEQUENT EVENTS

The company secretary of the Company (the "**Company Secretary**") Ms. Lam Yuen Ling Eva has tendered her resignation as the Company Secretary and the agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Process Agent**"); and Ms. Li Yan has been appointed as the Company Secretary and Process Agent in place of Ms. Lam Yuen Ling Eva, all with effect from 1 February 2022. For further details, please refer to the announcement of the Company dated 31 January 2022.

Save as disclosed above, the Directors are not aware of any other significant event requiring disclosure that has taken place subsequent to the Reporting Period and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the nine months ended 31 December 2021 (the “**Reporting Period**”), the subsidiaries of the Group principally engaged in (i) the provision of security guarding and property management services (the “**Security Guarding and Property Management Services**”); and (ii) the provision of business advisory and asset management services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a revenue of approximately HK\$39,589,000, in which the Security Guarding and Property Management Services recorded a revenue of approximately HK\$37,808,000, and the Asset Management Services recorded a revenue of HK\$1,781,000.

I. **Security Guarding and Property Management Services**

For the Group’s Security Guarding and Property Management Services, the Group operates in both Hong Kong and the People’s Republic of China (the “**PRC**”).

In Hong Kong, the Group is permitted to provide security guarding services under Type 1 security work in Hong Kong in accordance with the Security Company License regime. With years of operating experience, the Group has established a strong reputation in the field of manned security guarding services. Leveraging on the Company’s operation, management system and brand, the Group also provides professional services to other firms within the same industry in order to further develop its business. In the PRC, the Group’s Security Guarding and Property Management Services has continued to grow and its client base has gradually expanded from government departments to schools and industrial parks. In order to further expand the revenue, the Group has established Shandong Guanhui Foundation Business Management Co., Ltd* (山東冠輝基業商業管理有限公司) in Shandong Province in late 2020 to focus on providing security guarding and property management services in large school and industrial parks. The Group has realised its comprehensive advantages in brand, operation and management system, and will continue to expand the scale of its Security Guarding and Property Management Services in the PRC by riding on its foothold in Hong Kong and achieve sustained growth in revenue, with a view of building the Company into a prominent enterprise in the PRC.

II. **Asset Management Services**

During the Reporting Period, the Asset Management Services of the Group involved provision of business advisory and asset management services.

Since 2019, the Group has begun to gradually develop its Asset Management Services. In the PRC, the Group holds a private equity investment fund manager license issued by the Asset Management Association of China. The Group is confident in the potential and investment opportunities in the PRC and Hong Kong markets. The asset management team has committed to explore business and investment opportunities, aiming for quality and long-term investment targets, and increasing the scale of asset management. The assets managed by the Group will be mainly invested in multiple directions, including (i) buyout-type mergers, in which the Group focuses on buying out companies with undervalued capital, asset and commercial values as well as rooms for transformation and improvement; (ii) medium and long-term investment towards companies with long-term development value and have a leading position in a particular market segment; and (iii) invest in providing Security Guarding and Property Management Services to vocational education/undergraduate education centres and to support vocational and undergraduate education. We believe that the economy of the PRC will continue to develop strongly, which will bring huge investment opportunities. The Group will actively engage in the further economic growth opportunities of the PRC, and in the next to next two years, the Group will drive the Asset Management Services into a high-quality development phase.

SIGNIFICANT EVENTS DURING THE NINE MONTHS ENDED 31 DECEMBER 2021

Completion of Directors Service Contracts of an Executive Director and an Independent Non-Executive Director; Change of Authorised Representative; Change of Composition of the Audit Committee and the Remuneration Committee and Appointment of an Independent Non-Executive Director

Upon expiration of the terms of offices under the service contracts entered into between the Company and each of Mr. Hon Hoi Chuen ("**Mr. Hon**") and Ms. Guan Yan ("**Ms. Guan**"), respectively, both on 11 July 2021, Mr. Hon and Ms. Guan ceased to be an executive Director and an independent non-executive Director respectively with effect from 12 July 2021.

Upon cessation of directorship on 12 July 2021, Mr. Hon ceased to be an authorised representative of the Company (the "**Authorised Representative**") under Rule 5.24 of the GEM Listing Rules. Mr. Song Xiaoming ("**Mr. Song**"), the chairman of the board of Directors (the "**Board**") and an executive Director, has been appointed as an Authorised Representative with effect from 12 July 2021.

Following the cessation of Ms. Guan's directorship on 12 July 2021, the Board comprises two independent non-executive Directors only. The number of independent non-executive Directors was less than three as required under Rule 5.05(1) of the GEM Listing Rules. On the same day, Ms. Guan also ceased to be a member of each of the audit committee of the Company (the "**Audit Committee**") and the remuneration committee of the Company (the "**Remuneration Committee**"). The Company was unable to fulfill the requirement of having (i) a minimum of three members on the Audit Committee under Rule 5.28 of the GEM Listing Rules and the terms of reference of the Audit Committee and (ii) a minimum of three members on the Remuneration Committee under the terms of reference of the Remuneration Committee.

The Board proposed an ordinary resolution to elect Mr. Liu Chengwei ("**Mr. Liu**") as an independent non-executive Director to fill the vacancy created by the cessation of directorship of Ms. Guan at the annual general meeting of the Company held on 10 September 2021 (the "**AGM**"). Mr. Liu has been appointed as an independent non-executive Director according to the poll results of the AGM and has been appointed as a member of each of the Audit Committee and the Remuneration Committee. Following the appointment of Mr. Liu, the Board comprises three independent non-executive Directors, three members on each of the Audit Committee and the Remuneration Committee and fulfilled the requirements under Rules 5.05(1) and 5.28 of the GEM Listing Rules and the terms of reference of each of the Audit Committee and the Remuneration Committee.

For details, please refer to the Company's announcements dated 12 July 2021 and 10 September 2021 and the Company's circular dated 10 August 2021.

Share Consolidation and Connected Transaction Involving Subscription of New Shares under Specific Mandate

The Board proposed to implement the share consolidation on the basis that every five (5) issued and unissued ordinary shares of par value of HK\$0.01 each be consolidated into one (1) consolidated ordinary share of par value of HK\$0.05 each (the "**Share Consolidation**") prior to the completion of the subscription mentioned below.

On 18 March 2021, the Company entered into a subscription agreement (as amended and supplemented by a supplemental agreement dated 6 July 2021) with Walle Holding Limited, a company wholly-owned by Mr. Song (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Walle Holding Limited has conditionally agreed to subscribe for, 249,090,909 new consolidated ordinary shares (the "**Subscription Shares**") at a subscription price of HK\$0.275 per Subscription Share (the "**Subscription**").

In light of the rapid business developments of the Company, the Company has expanded new business opportunities in Shandong Province in the PRC for its security guarding services and identified potential merger and acquisition targets for its asset management business in the latter half year of 2020 (the "**Business Expansion Plan**"). The Business Expansion Plan was not in the Company's initial business development plan when conducting the rights issue on 19 August 2020 (the "**2020 Rights Issue**"). The Directors estimate the total amount of investment for the Business Expansion Plan to be approximately HK\$68.5 million. As at the date of the Subscription Agreement, the unutilized net proceeds allocated to its security guarding and asset management business from the 2020 Rights Issue were approximately HK\$3.9 million and HK\$1.8 million, respectively which are insufficient to support the funding requirements of the Business Expansion Plan.

In order to meet the funding requirements of the Business Expansion Plan, the Board has approached securities firms and banks and considered other fund-raising alternatives. Having considered the various factors, the Board is of the view that the capitalization and full settlement of the shareholder loan in the sum of HK\$68.5 million via the Subscription to be the most feasible and appropriate means to raise funding for the Business Expansion Plan.

The gross proceeds and net proceeds (after deducting professional fees and other related expenses) from the Subscription were approximately HK\$68.5 million and HK\$67.5 million, respectively. The gross subscription price was HK\$0.275 per Subscription Share, representing a discount of approximately 6.780% to the theoretical closing price of HK\$0.295 per consolidated ordinary share (after taking into the account the effect of the Share Consolidation) based on the closing price of HK\$0.059 per share as quoted on Stock Exchange on 18 March 2021, being the date of the Subscription Agreement. The net subscription price was HK\$0.271 per Subscription Share.

The Share Consolidation and the Subscription were approved by the shareholders of the Company by way of poll at the extraordinary general meeting of the Company held on 29 July 2021. The Share Consolidation became effective on 2 August 2021 and the completion of the Subscription took place on 5 August 2021.

The number and the exercise prices of the outstanding share options were adjusted as a result of the Share Consolidation on 2 August 2021.

For detail, please refer to the Company's announcements dated 18 March 2021, 13 April 2021, 27 April 2021, 17 May 2021, 31 May 2021, 11 June 2021, 25 June 2021, 29 July 2021, 30 June 2021, 3 August 2021, 4 August 2021 and 5 August 2021 and the Company's circular dated 9 July 2021.

Saved as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place during the Reporting Period.

OUTLOOK

The PRC economy has showed new characteristics brought about by the novel coronavirus epidemic (the "**Epidemic**") and changes in the international environment. The Group will continue to deepen and expand its business scale and improve its business ecology with a focus on its principal business by leveraging on its own strengths and the characteristics of the PRC market, so as to continuously improve the Group's operating results.

For the Security Guarding and Property Management Services, Hong Kong and overseas markets has been affected by the Epidemic, which resulted in human mobility restriction and economic activities to remain largely subdued. As such, the Group will continue to develop vigorously into the PRC market. The Company will continue to focus on exploring the security guarding and property management markets in large schools, industrial parks and government organisations, in an effort to continuously expand the scale of its Security Guarding and Property Management Services.

For Asset Management Services, the Group entered a phase of rapid development, with the Epidemic gradually brought under control and cross-border travel between Hong Kong and the PRC made possible, part of the Company's asset management business that involves cross-border acquisition will be speed up and the scale of the Company's fund management will gain a larger growth.

In September 2021, the Company entered into a strategic cooperation agreement (the "**Strategic Cooperation Agreement**") with the Administrative Committee of Wefang Binhai Economic and Technology Development Zone" (濰坊濱海經濟技術開發區管委會) (the "**BDZ Administrative Committee**") in relation to a construction project of secondary and higher vocational institutes and an undergraduate industry college. These schools intend to serve as a training base for nurturing talents in the aviation, rail transportation, security, information and artificial intelligence industries. The project is planned to be built on a 1,600-mu site in three phases over a span of five years, with a total investment amount of US\$500 million (including land cost and main building construction cost) upon completion, and has a planned enrolment of 20,000 students. Currently, the project is in full swing.

The Company will leverage its own resource advantages to participate in the project by: (i) investing in project through an education industry investment fund set up by the Company's asset management platform, thereby establishing a comprehensive education industry investment and post-investment management system, and enhancing the core competitiveness of the Group's Asset Management Services; and (ii) providing security guarding and property management services for school campus upon the completion of the project, thereby enhancing the management scale and create a brand of the Company's Security Guarding and Property Management Services.

The project is in line with policy director of the PRC and has a large development potential in the future. In October 2021, the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council have jointly issued the "Opinions on Promoting the High-quality Development of Modern Vocational Education". The opinions proposed to encourage listed companies and leading industry enterprises to organise vocational education, and encourage all types of enterprises to participate in organising vocational education in accordance with the law. Vocational schools and social capital shall collaborate to build vocational education infrastructure and training centres, and together shall build and share public training centres. The management of the Company believes that the above projects will be conducive to the continuing development of the Company's two principals, namely provision of Security Guarding and Property Management Services and provision of Asset Management Services, and further enhance the Company's industry position.

FINANCIAL REVIEW

Revenue

For the Reporting Period and the corresponding period in 2020, the Group's revenue was generated from the provision of Security Guarding and Property Management Services and provision of Asset Management Services. The following table sets forth the breakdown of the Group's revenue by business segment for the Reporting Period and the corresponding period in 2020:

	Nine months ended 31 December			
	2021		2020	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding and Property Management Services	37,808	95.5%	42,545	96.4%
Asset Management Services	1,781	4.5%	1,598	3.6%
Total	39,589	100%	44,143	100%

The Group's overall revenue decreased by approximately HK\$4,554,000 or 10.3% from approximately HK\$44,143,000 for the nine months ended 31 December 2020 to approximately HK\$39,589,000 for the Reporting Period. The decrease in revenue was mainly due to decrease in revenue from the Security Guarding and Property Management Services in Hong Kong from approximately HK\$19,216,000 for the nine months ended 31 December 2020 to approximately HK\$6,100,000 for the Reporting Period due to the impact of the Epidemic. The impact of decrease in revenue from the Security Guarding and Property Management Hong Kong was partially offset by the increase in revenue from the Security Guarding and Property Management Services in the PRC from approximately HK\$23,329,000 for the nine months ended 31 December 2020 to approximately HK\$31,708,000 for the Reporting Period through a series of operational measures in line with the Company's own characteristics.

Cost of services rendered

For the Reporting Period and corresponding period in 2020, the cost of services rendered by the Group mainly consists of direct guard cost of approximately to HK\$38,978,000 and HK\$39,305,000, representing approximately 89.0% and 98.5% to the Group's revenue respectively. Such increase of the cost of service in the percentage to revenue was primarily attributable to general increase in the guard costs in the market.

As at 31 December 2021, the Group had a total of 503 employees, of which 477 were full-time and part-time guards providing manned security guarding and related services.

Gross profit

The Group's gross profit decreased by approximately HK\$4,227,000 or 87.4% from approximately HK\$4,838,000 for the nine months ended 31 December 2020 to approximately HK\$611,000 for the Reporting Period. The decrease was mainly due to general increase in the guard costs in Hong Kong despite the scale of business recorded a significant decline, resulted in higher costs and lower profitability than expected.

Other income

The Group's other income decreased by approximately HK\$4,879,000 or 95.7% from approximately HK\$5,096,000 for the nine months ended 31 December 2020 to approximately HK\$217,000 for the Reporting Period. The decrease of the Group's other income was mainly due to (i) the decrease in government grant of approximately HK\$1,517,000 recognised for the nine months ended 31 December 2020; and (ii) an absence of the recognition of gain on modification of the terms of provisory note of approximately HK\$3,000,000.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$2,908,000 or 12.8% from approximately HK\$22,685,000 for the nine months ended 31 December 2020 to approximately HK\$19,777,000 for the Reporting Period. The decrease in the Group's administrative expenses was mainly due to (i) the decrease in consulting fee as a result of better cost control in the development of the Group's Asset Management Services; (ii) the decrease in amortization of intangible assets, depreciation of property, plant and equipment; and (iii) the decrease in legal and professional fees; and (iv) decrease in impairment loss on trade receivables during the Reporting Period.

Finance costs

The Group's finance costs increased by approximately HK\$141,000 or 6.4% from HK\$2,193,000 for the nine months ended 31 December 2020 to HK\$2,334,000 for the Reporting Period. The increase in the finance costs was mainly due to the increase in the interest charges on borrowings of approximately HK\$203,000 for the Reporting Period.

Loss for the Reporting Period

Loss attributable to owners of the Company for the Reporting Period increased by approximately HK\$6,713,000 from approximately HK\$13,875,000 for the nine months ended 31 December 2020 to approximately HK\$20,588,000 for the Reporting Period. The increase in the Group's loss for the Reporting Period was mainly due to the reasons and factors as mentioned above.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company (the "**Chief Executive**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") were as follows:

Long position in the shares and underlying shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary shares held/interested	Number of underlying shares held/interested pursuant to share options	Approximate percentage of the total number of issued shares of the Company
Song Xiaoming ("Mr. Song")	Interest in a controlled corporation	433,555,955(L) ^(Note 1)	–	74.57%
Lin Shuxian ("Ms. Lin")	Beneficial owner	–	2,534,255(L) ^(Note 2)	0.44%
Li Zhongfei	Beneficial owner	–	203,772(L) ^(Note 2)	0.04%
Zhao Jinsong	Beneficial owner	–	203,772(L) ^(Note 2)	0.04%

(L) represents a long position in the shares of the Company (the "**Shares**")

Notes:

- According to information available to the Company:
 - 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
 - Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*) ("**Nansha Huiming**").
 - Nansha Huiming is held as to approximately 91.9992% by 深圳匯理九號投資諮詢企業(有限合夥)(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*) ("**Huili Jiu Hao Investment**"), and as to 0.0008% by Mr. Song.
 - Huili Jiu Hao Investment is held as to 99.99% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd*) ("**Great Walle Investment**").
 - Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司).
 - As such, each of Nansha Huiming, Huili Jiu Hao Investment, Great Walle Investment and Mr. Song is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under the SFO.
 - 249,090,909 Shares are held by Walle Holding Limited in the capacity of beneficial owner. Walle Holding Limited is wholly-owned by Mr. Song. As such, Mr. Song is deemed to be interested in 249,090,909 Shares held by Walle Holding Limited under the SFO.
- These long positions represent the share options granted by the Company under the share option scheme adopted by the Company on 31 July 2014 ("**Share Option Scheme**"). For details, please refer to the section headed "Share Option Scheme" below.

* For identification purposes only

Long position in the interest in the associated corporations

Name	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	深圳匯理九號投資諮詢企業（有限合夥） (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest in a controlled corporation	990,000 ^(Note)	99.0000%
	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Beneficial owner	3,828,902	68.9039%
Ms. Lin	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest in a controlled corporation	1,222,486	21.9995%
		Beneficial owner	1,111	0.0200%

Note: The associated corporation is a limited partnership with no share description or shares. The total number of shares represented the amount of capital contributed.

Save as disclosed above, as at 31 December 2021, none of the Directors or Chief Executive had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings.

* For identification purposes only

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2021, substantial shareholders (as defined under the SFO) (not being the Directors or Chief Executive) who had or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity/Nature of interests	Number of shares held/interested	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	184,465,046(L)	31.73%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note)	184,465,046(L)	31.73%
深圳匯理九號投資諮詢企業(有限合夥) (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest of corporation controlled by the substantial shareholder (Note)	184,465,046(L)	31.73%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note)	184,465,046(L)	31.73%
Walle Holding Limited	Beneficial owner	249,090,909(L)	42.84%

(L) represents a long position in the Shares

Note: According to information available to the Company:

- (a) 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
- (b) Greatwalle Holding Limited is wholly-owned by Nansha Huiming.
- (c) Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and so as to 0.0008% by Mr. Song.
- (d) Huili Jiu Hao Investment is held as to 99.99% by Great Walle Investment.
- (e) As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under SFO.

Save as disclosed above, the Directors and Chief Executive are not aware of any other persons/entities (other than the Directors and the Chief Executive) who, as at 31 December 2021, had or were deemed to have, an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

* For identification purposes only

SHARE OPTION SCHEME

On 11 October 2021, the Company granted 33,235,133 share options (the “Share Options”) to individual (the “Grantees”), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 31 July 2014. The Share Options shall entitle the Grantees to subscribe for a total of 33,235,133 new shares of HK\$0.05 each in the share capital of the Company.

For further details, please refer to the Company’s announcement dated 11 October 2021.

The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme during the Reporting Period are set out as follows:

Name or category of grantees	Exercise Price during 1 April 2021 to 1 August 2021 (HK\$)	Exercise Price per share on or after 2 August 2021 (HK\$)	Date of grant	Exercisable Period (Note 1)	Number of share options (Note 2)					Adjusted on 2 August 2021 (Note 2)	Balance as at 31 December 2021
					Balance as at 1 April 2021	Granted during the nine months ended 31 December 2021	Exercised during the nine months ended 31 December 2021	Lapsed during the nine months ended 31 December 2021	Cancelled during the nine months ended 31 December 2021		
Directors											
Ms. Lin	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	(7,463,156)	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	3,342,335	-	-	-	-	(2,673,866)	668,467
Mr. Li Zhongfei	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	(746,316)	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	(68,780)	17,194
Mr. Zhao Jinsong	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	(746,316)	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	(68,780)	17,194
Former Directors											
Ms. Guan Yan	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	(746,316)	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	(68,780)	17,194
Ms. Pang Xiaoli	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	2,053,265	-	-	-	-	(1,642,612)	410,653
Mr. Li Mingming	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	(7,463,156)	1,865,788
Mr. Hon Hoi Chuen	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	(7,463,156)	1,865,877
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	3,342,335	-	-	-	-	(2,673,868)	668,467
Other employees of the Group											
In aggregate	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	(7,463,156)	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	14,130,708	-	-	-	-	(11,364,567)	2,826,141
	0.144	0.720	5 September 2019	5 September 2019 to 4 September 2021	74,977,156	-	-	(14,995,427)	-	(59,981,729)	-
	-	0.2242	11 October 2021	11 October 2021 to 10 October 2026	-	33,235,133	-	-	-	-	33,235,133
Total					138,218,179	33,235,133	-	(14,995,427)	-	(110,574,556)	45,883,329

Notes:

1. All of the share options granted have no vesting period or vesting condition.
2. Adjustments on the exercise price and number of the outstanding share options were made upon the completion of Share Consolidation on 2 August 2021. Please refer to the Company's announcements dated 3 August 2021 and 4 August 2021 for further details.

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the Reporting Period.

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS

The fair value of share options granted is recognised as employee cost with a corresponding increase in share option reserve within equity over the relevant vesting periods.

The Group recognised an expense of approximately HK\$2,390,000 for the nine months ended 31 December 2021 in relation to 33,235,133 share options granted by the Company on 11 October 2021.

The fair value of share options granted on 11 October 2021 was HK\$2,390,000, which was calculated using the binomial option pricing model (the "**Model**") with the following inputs:

Date of Grant:	11 October 2021
Closing price of the Shares on the date of grant:	HK\$0.201
Exercise price:	HK\$0.2242
Expected volatility (Note 1):	107%
Expected life of option:	5 years
Expected dividend yield (Note 2):	0%
Risk free rate (Note 3):	0.78%

The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

After vesting, when the share options are forfeited before expiry or expire, the amount previously recognised in share options reserve will be transferred to retained profits.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

DIVIDEND

The Board does not recommend the payment of interim dividend for the Reporting Period (nine months ended 31 December 2020: Nil).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the Required Standard of Dealings. Having made specific enquiry to all the Directors, the Directors confirmed that they have complied with the Required Standard of Dealings and the said guidelines regarding directors' securities transactions during the Reporting Period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules throughout the Reporting Period, except for CG Code provision A.2.1.

Under the CG Code provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Ms. Pang Xiaoli as the chief executive officer of the Company (the "**CEO**") on 25 August 2020, the Company does not have any officer with the title of CEO but the Company has appointed several staffs at the subsidiary level for each business segment, who were responsible for the oversight of each business segment's operations.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Zhao Jinsong (chairman of the Audit Committee), Mr. Li Zhongfei and Mr. Liu Chengwei, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, this report and the third quarterly results announcement of the Company for the Reporting Period. The condensed consolidated financial results for the Reporting Period are unaudited, but have been reviewed by the Audit Committee. The Audit Committee is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

EVENTS AFTER THE PERIOD

The company secretary of the Company (the “**Company Secretary**”) Ms. Lam Yuen Ling Eva has tendered her resignation as the Company Secretary and the agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Process Agent**”); and Ms. Li Yan has been appointed as the Company Secretary and Process Agent in place of Ms. Lam Yuen Ling Eva, all with effect from 1 February 2022. For further details, please refer to the announcement of the Company dated 31 January 2022.

Save as disclosed above, the Directors are not aware of any other significant event requiring disclosure that has taken place subsequent to the Reporting Period and up to the date of this report.

By order of the Board
Greatwalle Inc.
Song Xiaoming
Chairman and executive Director

Hong Kong, 11 February 2022

As at the date of this report, the executive Directors are Mr. Song Xiaoming, Ms. Song Shiqing and Ms. Lin Shuxian; the non-executive Director is Mr. Chung Man Lai; and the independent non-executive Directors are Mr. Zhao Jinsong and Mr. Li Zhongfei and Mr. Liu Chengwei.